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JHE

By: Lucio, West,
Passon
SENATE

S.J.R. No. 9

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds for the state financing of
3 start-up costs for historically underutilized businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 historically underutilized business capital growth and start-up
9 fund to be used without further appropriation solely in furtherance
10 of a program established by the legislature to aid in the start-up
11 costs of a historically underutilized business, as defined by the
12 legislature. The fund shall contain a program account, an interest
13 and sinking account, and other accounts authorized by the
14 legislature. To carry out the program authorized by this
15 subsection, the legislature may issue up to \$50 million of general
16 obligation bonds to provide funding for the fund. The fund is
17 composed of the proceeds of the bonds authorized by this
18 subsection, loan guarantee fees and other amounts received from
19 loan guarantees made under this subsection, and any other amount
20 required to be deposited in the fund by the legislature.

21 (b) The legislature may require review and approval of the
22 issuance of bonds under this section, of the use of the bond
23 proceeds, or of the rules adopted by an agency to govern use of the
24 bond proceeds. Notwithstanding any other provision of this

Replaced by
House Sub 1

4-21-93
4-27-93

1/2

1 constitution, any entity created or directed to conduct this review
2 and approval may include members or appointees of members of the
3 executive, legislative, and judicial departments of state
4 government.

5 (c) Bonds authorized under this section constitute a general
6 obligation of the state. While any of the bonds or interest on the
7 bonds is outstanding and unpaid, there is appropriated out of the
8 first money coming into the treasury in each fiscal year, not
9 otherwise appropriated by this constitution, the amount sufficient
10 to pay the principal of and interest on the bonds that mature or
11 become due during the fiscal year, less any amount in any interest
12 and sinking account at the end of the preceding fiscal year that is
13 pledged to payment of the bonds or interest.

14 SECTION 2. This proposed amendment shall be submitted to the
15 voters at an election to be held November 2, 1993. The ballot
16 shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment authorizing the
18 legislature to provide for the issuance of \$50 million of general
19 obligation bonds for the recovery and further development of the
20 state's economy, with ^{the} goals of increasing job opportunities and
21 other benefits for Texas residents, through state financing of the
22 start-up costs of historically underutilized businesses."

By: Lucio, West, Rosson S.J.R. No. 9
(In the Senate - Filed February 1, 1993; February 2, 1993,
read first time and referred to Committee on Economic Development;
April 21, 1993, reported favorably by the following vote: Yeas 7,
Nays 0; April 21, 1993, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Parker				x
Lucio	x			
Ellis				x
Haley	x			
Harris of Dallas				x
Harris of Tarrant	x			
Leedom	x			
Madla	x			
Rosson	x			
Shapiro	x			
Wentworth				x

SENATE JOINT RESOLUTION

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provide for the issuance of bonds for the state financing of
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proceeds, or of the rules adopted by an agency to govern use of the
bond proceeds. Notwithstanding any other provision of this
constitution, any entity created or directed to conduct this review
and approval may include members or appointees of members of the
executive, legislative, and judicial departments of state
government.

(c) Bonds authorized under this section constitute a general
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state's economy, with the goal of increasing job opportunities and
other benefits for Texas residents, through state financing of the
start-up costs of historically underutilized businesses."

* * * * *

Austin, Texas
April 21, 1993

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Economic Development to which was referred S.J.R. No. 9, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

Lucio, Vice-Chairman

* * * * *

WITNESSES

FOR AGAINST ON

Name: Maricela Rodriguez Barr	x
Representing: The Barr Company	
City: Austin	

Name: Ernesto Chavarria	x
Representing: TAMACC	
City: Austin	

Name: Frances Cornejo	x
Representing: J.P. Printing	
City: Austin	

Name: Carol S. Hadnot	x
Representing: Austin Black Contractors Ass.	
City: Austin	

Name: Devoyd Jennings	x
Representing: Tx. State Black Chambers	
City: Ft. Worth	

Name: Richard Barth	x
Representing: AGC of Texas	
City: Austin	

Name: Martin Burrell	x
Representing: DART	
City: Dallas	

Name: Karen Box	x
Representing: Cap. City Chambers of Comm.	
City: Austin	

Name: Michael Von Ohlen	x
Representing: Prism Development	
City: Austin	

Name: Franklin D. Thomas	x
Representing: Engercon Group	
City: Dallas	

Name: David R. Pinkus	x
Representing: Small Business United of TX	
City: Austin	

1		
2		
3	Name: Lena Guerrero	X
4	Representing: Southwest Capitol Markets	
5	City: Austin	
6	-----	
7	Name: Wendle Van Smith	X
8	Representing: Self	
9	City: Houston	
10	-----	
11	Name: Carl Davis	X
12	Representing: Self	
13	City: Houston	
14	-----	
15	Name: Reginald Gates	X
16	Representing: Ft. Worth/Black Chambers	
17	City: Ft. Worth	
18	-----	
19	Name: Dave Tovar	X
20	Representing: SA Hispanic Chamber of Comm.	
21	City: San Antonio	
22	-----	
23	Name: John Hernandez	X
24	Representing: Austin Hispanic Chamber	
25	City: Austin	
26	-----	
27	Name: Esther Sepeda	X
28	Representing: TAMACC	
29	City: Austin	
30	-----	
31	Name: Rudy Colmenero	X
32	Representing: TAMACC	
33	City: Austin	
34	-----	
35	Name: Cesar Perez	X
36	Representing: TAMACC	
37	City: Rio Grande City	
38	-----	
39	Name: Jose A. Sena	X
40	Representing: TAMACC/Dallas Hisp. Chamber	
41	City: Dallas	
42	-----	
43	Name: Charlie Ponzio	X
44	Representing: El Paso Hispanic Chamber	
45	City: El Paso	
46	-----	
47	Name: Joe Morin	X
48	Representing: TAMACC	
49	City: Austin	
50	-----	
51	Name: Marco A. Arredondo	X
52	Representing: Corpus Hispanic Chamber	
53	City: Corpus Christi	
54	-----	
55	Name: Berto Guerra	X
56	Representing: TAMACC	
57	City: Austin	
58	-----	
59	Name: Lydia Marie Trevino	X
60	Representing: SEGUIN	
61	City: Seguin	
62	-----	
63	Name: Henry G. Flores	X
64	Representing: Austin Hispanic Chamber	
65	City: Austin	
66	-----	

1			
2			
3	Name: Ronald J. Alonzo	x	
4	Representing: Fort Worth Hispanic Chamber		
5	City: Fort Worth		
6	-----		
7	Name: Jose F. Molina	x	
8	Representing: Odessa MANO		
9	City: Odessa		
10	-----		
11	Name: Dan Sotomayor	x	
12	Representing: TAMACC, El Paso Chamber		
13	City: El Paso		
14	-----		
15	Name: Larry E. Romero	x	
16	Representing: El Paso Hispanic Chamber		
17	City: El Paso		
18	-----		
19	Name: Anthony D. Lyons	x	
20	Representing: Law office of Anthony D. Lyon		
21	City: Dallas		
22	-----		
23	Name: Jesse Miranda	x	
24	Representing: Miranda, Inc.		
25	City: Austin		
26	-----		
27	Name: Berto Guerra, Jr.	x	
28	Representing: TAMACC		
29	City: Austin		
30	-----		
31	Name: Wardaleen F. Belvin		x
32	Representing: Lt. Governor's Office		
33	City: Austin		
34	-----		

**FAVORABLE
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 9
By Lucio
(Author/Senate Sponsor)
4/20/93
(date)

Lt. Governor Bob Bullock
President of the Senate

Sir:

We, your Committee on ECONOMIC DEVELOPMENT, to which was referred the attached measure,
have on 4/20/93, had the same under consideration and I am instructed to report it
(date of hearing)
back with the recommendation (s) that it:

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Carl Parker, Chair			<input checked="" type="checkbox"/>	
Senator Eddie Lucio, Vice-Chair	<input checked="" type="checkbox"/>			
Senator Rodney Ellis			<input checked="" type="checkbox"/>	
Senator Bill Haley	<input checked="" type="checkbox"/>			
Senator Chris Harris	<input checked="" type="checkbox"/>			
Senator O. H. "Ike" Harris			<input checked="" type="checkbox"/>	
Senator John Leedom	<input checked="" type="checkbox"/>			
Senator Frank Madla	<input checked="" type="checkbox"/>			
Senator Peggy Rosson	<input checked="" type="checkbox"/>			
Senator Florence Shapiro	<input checked="" type="checkbox"/>			
Senator Jeff Wentworth			<input checked="" type="checkbox"/>	
TOTAL VOTES	<u>7</u>	<u>0</u>	<u>4</u>	<u>0</u>

COMMITTEE ACTION

S260 Considered in public hearing

S270 Testimony taken

Samela A. Crail
COMMITTEE CLERK

E. Lucio
CHAIRMAN Vice-Chairman

Paper clip the original and one copy of this signed form to the original bill
Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol
Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol
Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

February 19, 1993

TO: Honorable Carl Parker, Chair
Committee on Economic
Development
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 9
By: Lucio

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

Fiscal Year	Probable Debt Service Out of the Texas Historically Underutilized Business Capital Growth and Start-up Fund
1994	\$4,931,000
1995	5,283,000
1996	5,282,000
1997	5,284,000
1998	5,282,000

Similar annual costs would continue through fiscal year 2014.

No fiscal implication to the units of local government is anticipated.

The proposed constitutional amendment would be submitted to the voters on November 2, 1993. The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority, Comptroller of Public Accounts
LBB Staff: JO, JWH, EC, MLD, OC

April 27 1993 Engrossed
Betsy Law
Engrossing Clerk

1993 MAY -3 AM 9:34

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct
copy of SJR 9, which was
received from the Senate on 4.27.93 and
referred to the Committee on State Affairs

Betsy Law
Chief Clerk of the House

By: Lucio, West, Rosson

S.J.R. No. 9

SENATE JOINT RESOLUTION

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11 costs of a historically underutilized business as defined by the
12 legislature. The fund shall contain a program account, an interest
13 and sinking account, and other accounts authorized by the
14 legislature. To carry out the program authorized by this
15 subsection, the legislature may issue up to \$50 million of general
16 obligation bonds to provide funding for the fund. The fund is
17 composed of the proceeds of the bonds authorized by this
18 subsection, loan guarantee fees and other amounts received from
19 loan guarantees made under this subsection, and any other amount
20 required to be deposited in the fund by the legislature.

21 (b) The legislature may require review and approval of the
22 issuance of bonds under this section, of the use of the bond
23 proceeds, or of the rules adopted by an agency to govern use of the
24 bond proceeds. Notwithstanding any other provision of this

1 constitution, any entity created or directed to conduct this review
2 and approval may include members or appointees of members of the
3 executive, legislative, and judicial departments of state
4 government.

5 (c) Bonds authorized under this section constitute a general
6 obligation of the state. While any of the bonds or interest on the
7 bonds is outstanding and unpaid, there is appropriated out of the
8 first money coming into the treasury in each fiscal year, not
9 otherwise appropriated by this constitution, the amount sufficient
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11 become due during the fiscal year, less any amount in any interest
12 and sinking account at the end of the preceding fiscal year that is
13 pledged to payment of the bonds or interest.

14 SECTION 2. This proposed amendment shall be submitted to the
15 voters at an election to be held November 2, 1993. The ballot
16 shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment authorizing the
18 legislature to provide for the issuance of \$50 million of general
19 obligation bonds for the recovery and further development of the
20 state's economy, with the goal of increasing job opportunities and
21 other benefits for Texas residents, through state financing of the
22 start-up costs of historically underutilized businesses."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

February 19, 1993

TO: Honorable Carl Parker, Chair
Committee on Economic
Development
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 9
By: Lucio

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

Fiscal Year	Probable Debt Service Out of the Texas Historically Underutilized Business Capital Growth and Start-up Fund
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Similar annual costs would continue through fiscal year 2014.

No fiscal implication to the units of local government is anticipated.

The proposed constitutional amendment would be submitted to the voters on November 2, 1993. The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority,
Comptroller of Public Accounts
LBB Staff: JO, JWH, EC, MLD, OC

CONFIDENTIAL

1 bond proceeds. Notwithstanding any other provision of this
2 constitution, any entity created or directed to conduct this review
3 and approval may include members or appointees of members of the
4 executive, legislative, and judicial departments of state
5 government.

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21 state's economy and for increasing job opportunities and other
22 benefits for Texas residents through state financing of the
23 start-up costs of historically underutilized businesses."

COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

5/21/93
(date)

Sir:

We, your COMMITTEE ON STATE AFFAIRS

to whom was referred SJR 9 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

() do pass, without amendment.

() do pass, with amendment(s).

(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes () no

An author's fiscal statement was requested. () yes (X) no

A criminal justice policy impact statement was requested. () yes (X) no

An equalized educational funding impact statement was requested. () yes (X) no

An actuarial impact statement was requested. () yes (X) no

A water development policy impact statement was requested. () yes (X) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

House Sponsor of Senate Measure Roma

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Seidlits, Ch.	X			
Hunter, T., V.C.	X			
Black	X			
Danburg	X			
Denton	X			
Eckels				X
Erickson				X
Goodman				X
Jones, D.	X			
Marchant		X		
Saunders	X			
Tallas		X		
Turner, S.				X
Wilson	X			
Wolens	X			

Total

9 aye

2 nay

0 present, not voting

4 absent

Pete Laney
CHAIRMAN

RESOLUTION ANALYSIS

S.J.R. 9
C.S.S.J.R. 9

By: Lucio/Romo
By: Danburg

BACKGROUND

According to the Minority Business Development Agency, a division of the U.S. Department of Commerce, more than 154,000 historically underutilized businesses operate in Texas. These businesses employ over 78,000 Texans and have annual sales in excess of \$7 billion. The State purchases over \$70 million in goods and services from these businesses, yet that amount is only 2.1 percent of the state's annual purchases.

PURPOSE

Provides for a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses.

RULEMAKING AUTHORITY

It is the opinion of this committee that this resolution does not grant any additional rulemaking authority to any state officer, institution, department, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article XVI of the Texas Constitution by adding Section 72, as follows:

Sec. 72. (a) Authorizes the legislature by law to establish a Texas historically underutilized business capital growth and start-up fund to be used without further appropriation solely in furtherance of a program established by the legislature to aid in the start-up costs of a historically underutilized business, as defined by the legislature. Requires the fund to contain a program account, an interest and sinking account, and other accounts authorized by the legislature. Authorizes the legislature to issue up to \$50 million of general obligation bonds to provide funding for the fund. Provides that the fund is composed of certain proceeds.

(b) Authorizes the legislature to require review and approval of the issuance of bonds under this section, of the use of the bond proceeds, or of the rules adopted by an agency to govern use of the bond proceeds. Authorizes any entity created or directed to conduct this review and approval to include members, or appointees of members, of the executive, legislative, and judicial departments of state government.

(c) Provides that bonds authorized under this section constitute a general obligation of the state. Provides that while any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year the amount sufficient to pay the principal of and interest on the bonds that mature, less any amount in any interest and sinking account at the end of the preceding fiscal year that is pledged to payment of the bonds or interest.

SECTION 2. Requires this proposed amendment to be submitted to the voters at an election to be held November 2, 1993. Sets forth requirements for the ballot.

S.J.R. 9
C.S.S.J.R. 9

By: Lucio/Romo
By: Danburg

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute contains no substantive changes and the only changes made between the original and substitute are technical in nature.

SUMMARY OF COMMITTEE ACTION

Pursuant to posting of public notice on May 5, 1993, the Committee on State Affairs convened in a public hearing on May 10, 1993 to consider SJR 9. The Chair laid out SJR 9. SJR 9 was left pending. Being granted permission by the House without objection and pursuant to announcement on the House floor, in accordance with the Rules of the House, the Committee on State Affairs convened in a formal meeting while the House was in session on May 21, 1993. The Chair laid out SJR 9. A complete committee substitute was offered which was adopted without objection. The motion to favorably report SJR 9 as substituted to the House prevailed by a vote of 9 Ayes; 2 Nays; 0 PNV and 4 Absent.

Committee on State Affairs
(5/21/93)
wlb

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 21, 1993

TO: Honorable Curtis Seidlits, Chair
Committee on State Affairs
House of Representatives
Austin, Texas

IN RE: House Committee
Substitute for Senate Joint
Resolution No. 9

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Committee Substitute for Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds. The fiscal implication would be dependent upon passage of Senate Bill No. 225, or similar legislation.

No fiscal implication to the units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance
Authority, Comptroller of Public Accounts
LBB Staff: JO, JWH, DF, RAH, CKM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 5, 1993

TO: Honorable Curtis Seidlits, Chair
Committee on State Affairs
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No.
9, as engrossed
By: Lucio, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9, as engrossed (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

Fiscal Year	Probable Debt Service Out of the Texas Historically Underutilized Business Capital Growth and Start-up Fund
1994	\$4,931,000
1995	5,283,000
1996	5,282,000
1997	5,284,000
1998	5,282,000

Similar annual costs would continue through fiscal year 2014.

No fiscal implication to the units of local government is anticipated.

The proposed constitutional amendment would be submitted to the voters on November 2, 1993.

The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority,
Comptroller of Public Accounts
LBB Staff: JO, JWH, DF, MLD, OC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

February 19, 1993

TO: Honorable Carl Parker, Chair
Committee on Economic
Development
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 9
By: Lucio

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

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1998	5,282,000

Similar annual costs would continue through fiscal year 2014.

No fiscal implication to the units of local government is anticipated.

The proposed constitutional amendment would be submitted to the voters on November 2, 1993. The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority,
Comptroller of Public Accounts
LBB Staff: JO, JWH, EC, MLD, OC

1R22
5-28-93 Glee

ADOPTED

MAY 28 1993

Betty Murray
Chief Clerk
House of Representatives

By Lucio, et al.

S.J.R. No. 9

Substitute the following for S.J.R. No. 9:

By *[Signature]*

C.S.S.J.R. No. 9

SF VICE PK

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article XVI of the Texas Constitution is amended by adding Section 72 to read as follows:

Sec. 72. (a) The legislature by law may establish a Texas historically underutilized business capital growth and start-up fund. The money in the fund may be used without further appropriation and only for a program established by the legislature to aid in the start-up costs of a historically underutilized business, as defined by the legislature. The fund must contain a program account, an interest and sinking account, and other accounts authorized by the legislature. To carry out the program authorized by this subsection, the legislature may issue up to \$50 million of general obligation bonds to provide funding for the fund. The fund is to be composed of the proceeds of the bonds authorized by this subsection, loan guarantee fees and other amounts received from loan guarantees made under this subsection, and any other amount required to be deposited in the fund by the legislature.

(b) The legislature may require review and approval of the issuance of bonds under this section, of the use of the bond proceeds, or of the rules adopted by an agency to govern use of the

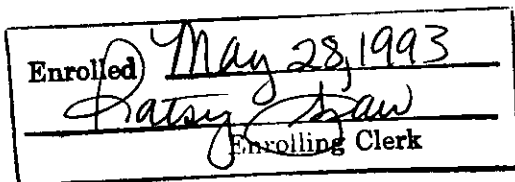
1/2

House Sub.
5-29-93

1 bond proceeds. Notwithstanding any other provision of this
2 constitution, any entity created or directed to conduct this review
3 and approval may include members or appointees of members of the
4 executive, legislative, and judicial departments of state
5 government.

6 (c) Bonds authorized under this section constitute a general
7 obligation of the state. While any of the bonds or interest on the
8 bonds is outstanding and unpaid, there is appropriated out of the
9 first money coming into the treasury in each fiscal year, not
10 otherwise appropriated by this constitution, the amount sufficient
11 to pay the principal of and interest on the bonds that mature or
12 become due during the fiscal year, less any amount in any interest
13 and sinking account at the end of the preceding fiscal year that is
14 pledged to payment of the bonds or interest.

15 SECTION 2. This proposed amendment shall be submitted to the
16 voters at an election to be held November 2, 1993. The ballot
17 shall be printed to provide for voting for or against the
18 proposition: "The constitutional amendment authorizing the
19 legislature to provide for the issuance of \$50 million of general
20 obligation bonds for the recovery and further development of the
21 state's economy and for increasing job opportunities and other
22 benefits for Texas residents through state financing of the
23 start-up costs of historically underutilized businesses."



S.J.R. No. 9

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature to
2 provide for the issuance of bonds for the state financing of
3 start-up costs for historically underutilized businesses.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article XVI of the Texas Constitution is amended
6 by adding Section 72 to read as follows:

7 Sec. 72. (a) The legislature by law may establish a Texas
8 historically underutilized business capital growth and start-up
9 fund. The money in the fund may be used without further
10 appropriation and only for a program established by the legislature
11 to aid in the start-up costs of a historically underutilized
12 business, as defined by the legislature. The fund must contain a
13 program account, an interest and sinking account, and other
14 accounts authorized by the legislature. To carry out the program
15 authorized by this subsection, the legislature may issue up to \$50
16 million of general obligation bonds to provide funding for the
17 fund. The fund is to be composed of the proceeds of the bonds
18 authorized by this subsection, loan guarantee fees and other
19 amounts received from loan guarantees made under this subsection,
20 and any other amount required to be deposited in the fund by the
21 legislature.

22 (b) The legislature may require review and approval of the
23 issuance of bonds under this section, of the use of the bond
24 proceeds, or of the rules adopted by an agency to govern use of the

1 bond proceeds. Notwithstanding any other provision of this
 2 constitution, any entity created or directed to conduct this review
 3 and approval may include members or appointees of members of the
 4 executive, legislative, and judicial departments of state
 5 government.

6 (c) Bonds authorized under this section constitute a general
 7 obligation of the state. While any of the bonds or interest on the
 8 bonds is outstanding and unpaid, there is appropriated out of the
 9 first money coming into the treasury in each fiscal year, not
 10 otherwise appropriated by this constitution, the amount sufficient
 11 to pay the principal of and interest on the bonds that mature or
 12 become due during the fiscal year, less any amount in any interest
 13 and sinking account at the end of the preceding fiscal year that is
 14 pledged to payment of the bonds or interest.

15 SECTION 2. This proposed amendment shall be submitted to the
 16 voters at an election to be held November 2, 1993. The ballot
 17 shall be printed to provide for voting for or against the
 18 proposition: "The constitutional amendment authorizing the
 19 legislature to provide for the issuance of \$50 million of general
 20 obligation bonds for the recovery and further development of the
 21 state's economy and for increasing job opportunities and other
 22 benefits for Texas residents through state financing of the
 23 start-up costs of historically underutilized businesses."

20/6
i/24

S.J.R. No. 9

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 9 was adopted by the Senate on April 27, 1993, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 28, 1993, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 9 was adopted by the House, with amendment, on May 26, 1993, by the following vote: Yeas 101, Nays 27, one present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 21, 1993

TO: Honorable Curtis Seidlits, Chair
Committee on State Affairs
House of Representatives
Austin, Texas

IN RE: House Committee
Substitute for Senate Joint
Resolution No. 9

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Committee Substitute for Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds. The fiscal implication would be dependent upon passage of Senate Bill No. 225, or similar legislation.

No fiscal implication to the units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance
Authority, Comptroller of Public Accounts
LBB Staff: JO, JWH, DF, RAH, CKM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 5, 1993

TO: Honorable Curtis Seidlits, Chair
Committee on State Affairs
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No.
9, as engrossed
By: Lucio, et al.

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9, as engrossed (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

Fiscal Year	Probable Debt Service Out of the Texas Historically Underutilized Business Capital Growth and Start-up Fund
1994	\$4,931,000
1995	5,283,000
1996	5,282,000
1997	5,284,000
1998	5,282,000

Similar annual costs would continue through fiscal year 2014.

No fiscal implication to the units of local government is anticipated.

The proposed constitutional amendment would be submitted to the voters on November 2, 1993.

The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority,
Comptroller of Public Accounts
LBB Staff: JO, JWH, DF, MLD, OC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

February 19, 1993

TO: Honorable Carl Parker, Chair
Committee on Economic
Development
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 9
By: Lucio

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 9 (proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses) this office has determined the following:

The resolution would propose a constitutional amendment that would authorize the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses and establish a Texas Historically Underutilized Business Capital Growth and Start-up Fund. Through enactment of legislation as proposed by Senate Bill No. 225, Seventy-third Legislature, the legislature could provide for the issuance of up to \$50 million in general obligation bonds to aid in the start-up costs of historically underutilized businesses. Proceeds from the bonds would be deposited into the Texas Historically Underutilized Business Capital Growth and Start-up Fund. The legislature would be authorized to review and approve the issuance of bonds, the use of bond proceeds, or the rules adopted by an agency to govern the use of the bond proceeds.

The cost incurred in the issuance of bonds pursuant to the proposed constitutional amendment is estimated to be \$100,000 to be paid from the bond proceeds. If program revenues are inadequate to provide for debt service on the general obligation bonds due to defaults on contracts guaranteed by surety bonds, there would be a cost to the General Revenue Fund to service the debt. The operating cost of the loan program to the Department of Commerce cannot be determined.

Assuming that \$50 million in taxable general obligation bonds are issued at an 8.5 percent interest rate to be repaid over 20 years, the probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated to be as follows:

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The proposed constitutional amendment would be submitted to the voters on November 2, 1993. The cost of publication of the resolution to the State is \$60,000.

Source: State Bond Review Board, Texas Department of Commerce, Texas Public Finance Authority,
Comptroller of Public Accounts
LBB Staff: JO, JWH, EC, MLD, OC

President of the Senate

Speaker of the House

I hereby certify that ^{J.R.} S.B. No. 9 ^{was adopted by} ~~passed~~ the Senate on April 27, 1993, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 28, 1993, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that ^{J.R.} S.B. No. 9 ^{was adopted by} ~~passed~~ the House, with amendment, on May 26, 1993, by the following vote: Yeas 101, Nays 27, one present not voting.

Chief Clerk of the House

Approved: _____

Date

Governor

BILL ANALYSIS

Senate Research Center

S.J.R. 9
By: Lucio
Education
3-1-93
As Filed

BACKGROUND

According to the Minority Business Development Agency, a division of the U.S. Department of Commerce, more than 154,000 historically underutilized businesses operate in the State of Texas. These businesses employ over 78,000 Texans and have annual sales in excess of \$7 billion. The State purchases over \$ 70 million in goods services from these businesses; however, that amount is only 2.1 percent of the state's annual purchases.

PURPOSE

As proposed, S.J.R. 9 provides for a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article XVI of the Texas Constitution by adding Section 72, as follows:

Sec. 72. (a) Authorizes the legislature by law to establish a Texas historically underutilized business capital growth and start-up fund to be used without further appropriation solely in furtherance of a program established by the legislature to aid in the start-up costs of a historically underutilized business, as defined by the legislature. Requires the fund to contain a program account, an interest and sinking account, and other accounts authorized by the legislature. Authorizes the legislature to issue up to \$50 million of general obligation bonds to provide funding for the fund. Provides that the fund is composed of certain proceeds.

(b) Authorizes the legislature to require review and approval of the issuance of bonds under this section, of the use of the bond proceeds, or of the rules adopted by an agency to govern use of the bond proceeds. Authorizes any entity created or directed to conduct this review and approval to include members, or appointees of members, of the executive, legislative, and judicial departments of state government.

(c) Provides that bonds authorized under this section constitute a general obligation of the state. Provides that while any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year the amount sufficient to pay the principal of and interest on the bonds that mature, less any amount in any interest and sinking account at the end of the preceding fiscal year that is pledged to payment of the bonds or interest.

SECTION 2. Requires this proposed amendment to be submitted to the voters at an election to be held November 2, 1993. Sets forth requirements for the ballot.

BILL ANALYSIS

Senate Research Center

S.J.R. 9
By: Lucio
Education
7-22-93
Enrolled

BACKGROUND

According to the Minority Business Development Agency, a division of the U.S. Department of Commerce, more than 154,000 historically underutilized businesses operate in the State of Texas. These businesses employ over 78,000 Texans and have annual sales in excess of \$7 billion. The State purchases over \$ 70 million in goods services from these businesses; however, that amount is only 2.1 percent of the state's annual purchases.

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SECTION 2. Requires this proposed amendment to be submitted to the voters at an election to be held November 2, 1993. Sets forth requirements for the ballot.

BILL ANALYSIS

Senate Research Center

S.J.R. 9
By: Lucio
Education
8-31-93
Enrolled

BACKGROUND

According to the Minority Business Development Agency, a division of the U.S. Department of Commerce, more than 154,000 historically underutilized businesses operate in the State of Texas. These businesses employ over 78,000 Texans and have annual sales in excess of \$7 billion. The state purchases over \$70 million in goods services from these businesses; however, that amount is only 2.1 percent of the state's annual purchases.

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SECTION 2. Requires this proposed amendment to be submitted to the voters at an election to be held November 2, 1993. Sets forth requirements for the ballot.

S.J.R. No.

9

SENATE JOINT RESOLUTION

By

Lucio W. Wot

proposing a constitutional amendment authorizing the legislature to provide for the issuance of bonds for the state financing of start-up costs for historically underutilized businesses.

2-1-93

Filed with the Secretary of the Senate

FEB 2 1993

Read and referred to Committee on

ECONOMIC DEVELOPMENT4-21-93

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

APR 27 1993

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

____ years, ____ nays

APR 27 1993

Read second time, _____, and ordered engrossed by:

unanimous consent
a viva voce vote

____ years, ____ nays

Caption ordered amended to conform to the body of the bill.

APR 27 1993Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 0 nays.APR 27 1993Read third time, _____, and passed by: 30 yeas, 0 naysBetty King

SECRETARY OF THE SENATE

OTHER ACTION:

April 27, 1993

Engrossed

April 27, 1993

Sent to House

Engrossing Clerk

APR 27 1993

Received from the Senate

APR 29 1993

Read first time and referred to Committee on

STATE AFFAIRS5-21-93Reported favorably ^{25 subst.} amended, sent to Printer3:00 AM 5-22-935-22-93

Printed and Distributed

10:53am5-22-93

Sent to Committee on Calendars

3:32pmMAY 26 1993Read Second time (amended) and finally adopted
failed adoption by Record Vote of 89 yeas, 40 nays 3 present not voting.MAY 26 1993Read third time (amended) and finally adopted
failed adoption by Record Vote of 101 yeas, 27 nays 1 present not voting.MAY 26 1993

Caption ordered amended to conform to body of bill.

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 27 1993

Returned from House without amendment.

Returned from House with _____ amendments.

MAY 28 1993Concurred in House amendments by a viva voce vote 31 yeas, 0 nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, and _____.

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____.

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____.

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____.

{ a viva voce vote
_____ yeas, _____ nays

SENATE 22 1110:53

HOUSE OF REPRESENTATIVES